

I) IN THE CLAIMS:

1. (Previously presented) A method of operating a reward points accumulation and redemption program comprising the steps of:
 - a) establishing a reward point account directly with each of a plurality of reward points issuing entities,
wherein each of said reward point accounts is stored on a reward server associated with the reward point issuing entity, and
wherein each of said reward point accounts tracks points earned by the user for transactions between the user and the associated reward points issuing entity, and
wherein each of the reward points issuing entities enables the user to selectively redeem points from the reward point account associated with the user for an item selected by the user,
 - b) earning reward points from each of the plurality of reward points issuing entities, each of said reward points issuing entities tracking the user's earned reward points in the user's reward point account stored on the rewards server associated with the reward points issuing entity,
 - c) establishing a reward exchange account on a trading server, said trading server selectively interconnected over a network with each of the plurality of reward servers,
 - d) selectively designating at least some of said earned reward points from one or more of said user's reward point accounts for trading into the reward exchange account,

- e) accumulating the designated earned reward points from said reward point accounts into the reward exchange account associated with the user, and
- f) redeeming accumulated points from the user's reward exchange account for an item selected by the user.

2. (Previously presented) The method of Claim 1 wherein the step of redeeming accumulated points from the user's reward exchange account for an item selected by the user comprises the steps of:

- selecting an item for purchase from a merchant computer interconnected to the network,
- providing the item to the user in exchange for consideration received from said trading server, and
- reducing the number of points in the user's reward exchange account in accordance with the consideration provided to the merchant computer.

3. (Canceled)

4. (Previously presented) The method of Claim 32 in which the consideration provided to the trading server by the reward issuing entity has a value higher than the value of the user's earned reward points that are exchanged for said consideration.

5. (Canceled)

6. (Previously presented) The method of Claim 2 in which the reduction in points in the user's reward exchange account stored on the trading server is higher than the number of points needed to pay for the requested item.

7. (Previously presented) The method of Claim 2 in which the purchase may be accomplished with a combination of points from the user's reward exchange account stored on the trading server and other consideration.

8. (Canceled)

9. (Canceled)

10. (Canceled)

11. (Original) The method of Claim 1 in which the trading server transfers a user's accumulated reward points to a smart card associated with the user.

12. (Previously presented) The method of Claim 11 in which the user makes a purchase from a merchant directly by utilizing the smart card to exchange stored accumulated reward points with the merchant for a desired item.

13. (Canceled).

14. (Previously presented) The method of Claim 1 in which the number of points in a user's reward point account fluctuates as a function of the performance of the associated reward points issuing entity.

15. (Previously presented) A reward points accumulation and redemption system comprising:

- a. a plurality of reward servers,
 - i. wherein each of said reward servers is associated with a reward points issuing entity, and
 - ii. wherein each of said reward servers comprises data storage means for storing a plurality of reward point accounts,

iii. wherein each of said reward point accounts is associated with a user and is configured to:

1. track reward points earned by the associated user for transactions between the associated user and the associated reward point issuing entity; and
2. enable the user to selectively redeem reward points from the reward point account associated with the user for an item selected by the user; and

b. a trading server selectively interconnected over a network to each of the plurality of reward servers,

- i. wherein the trading server comprises data storage means for storing a plurality of reward exchange accounts, each of said reward exchange accounts associated with a user;
- ii. wherein the trading server is configured to enable designation of at least some reward points from one or more of reward point accounts associated with the user for trading into the reward exchange account associated with the user;
- iii. wherein the trading server further comprises:
 1. means for accumulating the reward points designated by the user from each of said reward point accounts associated with the user into the reward exchange account associated with the user, and
 2. means for allowing interaction with the trading server to redeem accumulated reward points from the reward exchange account associated with the user for an item selected by the user.

16. (Previously presented) The system of Claim 15 further comprising:

- c) a user computer interconnected to the network for allowing a user to select an item for purchase from a merchant computer interconnected to the network,
- d) a merchant computer for providing the item to the user in exchange for consideration received from said trading server, and
- e) means for the trading server to reduce the number of points in the user's reward exchange account in accordance with the consideration provided to the merchant computer.

17. (Canceled).

18. (Previously presented) The system of Claim 41 in which the consideration provided to the trading server by the reward issuing entity has a value higher than the value of the user's earned reward points that are exchanged for said consideration.

19. (Canceled).

20. (Previously presented) The system of Claim 16 in which the reduction in points in the user's reward exchange account stored on the trading server is higher than the number of points needed to pay for the requested item.

21. (Previously presented) The system of Claim 16 in which the purchase may be accomplished with a combination of reward points exchanged by the trading server and other consideration.

22. (Canceled).

23. (Canceled).

24. (Canceled).

25. (Original) The system of Claim 15 in which the trading server transfers a user's accumulated reward points to a smart card associated with the user.

26. (Previously presented) The system of Claim 25 in which the user makes a purchase from a merchant directly by utilizing the smart card to exchange stored accumulated reward points with the merchant for a desired item.

27. (Canceled).

28. (Previously presented) The system of Claim 15 in which the number of points in a user's reward point account fluctuates as a function of the performance of the associated reward points issuing entity.

29. (Cancelled).

30. (Currently amended) The method of claim 1 wherein further comprising the step of the user designating designates which points are redeemed from the reward point account associated with the user.

31. (Currently amended) The method of claim 1 wherein further comprising the step of the user designating designates which accumulated points are redeemed from the user's reward exchange account.

32. (Previously presented) The method of claim 1 further comprising the step of each reward issuing entity providing consideration to the trading server in exchange for the trading server accumulating the user's reward points from the reward point account into the reward exchange account.

33. (Previously presented) The method of claim 7 wherein said other consideration is provided by the user.

34. (Previously presented) The method of claim 1 wherein the step of redeeming accumulated points from the user's reward exchange account for an item selected by the user comprises the steps of:

the user selecting an item for purchase by linking from the trading server over the network to an associated merchant computer for providing the item to the user in exchange for consideration received from the trading server, and

reducing the number of points in the user's reward exchange account in accordance with the consideration provided to the merchant computer.

35. (Previously presented) The method of claim 1 wherein the step of redeeming accumulated points from the user's reward exchange account for an item selected by the user comprises the steps of:

the user selecting an item for purchase from a list of products available from a merchant computer provided to the user by the trading server, for providing the item to the user in exchange for consideration received from the trading server, and

reducing the number of points in the user's reward exchange account in accordance with the consideration provided to the merchant computer.

36. (Previously presented) The method of claim 1 wherein the step of redeeming accumulated points from the user's reward exchange account for an item selected by the user comprises the steps of:

the user selecting an item for purchase from a list of available items provided by the trading server to the user over the network, wherein the list of available items comprises identification of items available directly from the trading server, and

reducing the number of points in the user's reward exchange account in accordance with the item selected by the user.

37. (Previously presented) The method of claim 1 wherein the step of designating at least some of said earned reward points from one or more of said user reward point accounts for trading into the reward exchange account is performed by a user interfacing with the trading server with a user computer interconnected to the network.

38. (Previously presented) The method of claim 1 wherein the step of redeeming accumulated points from the user's reward exchange account for an item selected by the user is performed by a user interfacing with the trading server with a user computer interconnected to the network.

39. (Cancelled).

40. (Cancelled).

41. (Previously presented) The system of claim 15 wherein consideration is provided by the reward issuing entity to the trading server in exchange for the trading server accumulating the user's reward points from the reward point account into the reward exchange account.

42. (Previously presented) The system of claim 21 wherein said other consideration is provided by the user.

43. (Previously presented) The system of claim 15 further comprising:

- c) a user computer interconnected to the network for allowing a user to select an item for purchase by linking from the trading server over the network to an associated merchant computer for providing the item to the user from the merchant computer in exchange for consideration received from said trading server
- d) a merchant computer for providing the item to the user in exchange for consideration received from said trading server, and

e) means for reducing the number of points in the user's reward exchange account in accordance with the consideration provided to the merchant computer.

44. (Previously presented) The system of claim 15 further comprising:

- c) a user computer interconnected to the network for allowing a user to select an item for purchase from a list of available items from a merchant computer over the network for providing the item to the user from the merchant computer in exchange for consideration received from said trading server
- d) a merchant computer for providing the item to the user in exchange for consideration received from said trading server, and
- e) means for reducing the number of points in the user's reward exchange account in accordance with the consideration provided to the merchant computer.

45. (Previously presented) The system of claim 15 further comprising:

- c) a user computer interconnected to the network for allowing a user to select an item for purchase from a list of available items provided by the trading server to the user over the network, wherein the list of available items comprises identification of items available directly from the trading server, and
- d) reducing the number of points in the user's reward exchange account in accordance with the item selected by the user.

46. (Previously presented) The system of claim 15 further comprising a user computer interconnected to the network for allowing a user to interface with the trading server and designate at least some of said earned reward points from one or more of said user reward point accounts for trading into the reward exchange account.

47. (Previously presented) The system of claim 15 further comprising a user computer interconnected to the network for allowing a user to interface with the trading server to redeem accumulated points from the user's reward exchange account for an item selected by the user.

48. (Previously presented) The method of claim 1 in which the value of the points in a user's reward point account fluctuates as a function of the performance of the associated reward points issuing entity.

49. (Previously presented) The system of claim 15 in which the value of the points in a user's reward point account fluctuates as a function of the performance of the associated reward points issuing entity.